

Message Text

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PAGE 01 KABUL 06933 251106Z

46

ACTION ABF-01

INFO OCT-01 NEA-10 ISO-00 FS-01 A-01 OPR-02 TRSE-00 EB-11

CU-04 USIA-15 AID-20 CIAE-00 INR-10 NSAE-00 DODE-00

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R 251000Z SEP 73

FM AMEMBASSY KABUL

TO SECSTATE WASHDC 5231

INFO AMEMBASSY PARIS

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PARIS FOR RFC

E.O. 11652: N/A

TAGS: AFIN, AF

SUBJECT: DOLLAR POWER II - BP

REF: STATE 151990

A. NEW EXCHANGE RATE FOR OFFICIAL TRANSACTIONS EFFECTIVE
SEPTEMBER 24 AF 54.50 EQUALS \$1.00.

B. DOLLAR DECLINE IN TERMS OF AFGHANI DUE TO COMBINATION OF
UNOFFICIAL EXCHANGE CONTROLS IMPOSED BY NEW GOVERNMENT AND
WIDE SPREAD FEARS THAT GOVERNMENT WILL IMPOSE STRICT CONTROLS
AND FIXED EXCHANGE RATE, POSSIBLY AT AFS 45 EQUALS \$1.00
"OFFICIAL" RATE. RATE REFLECTS A DOWNTURN IN COMMERCIAL
ACTIVITY, TENDING TOWARD DEMONETIZATION. MERCHANTS, INCLUDING
MONEY MERCHANTS, ATTEMPTING TO MAINTAIN ZERO BALANCES IN ALL
CURRENCIES DUE TO UNCERTAINTIES. SOME EVIDENCE OF A RISE IN
BARTER ACTIVITY IN MARKET.

C. NEW EXCHANGE RATE FOR PERSONAL TRANSACTIONS EFFECTIVE
SEPTEMBER 24 AFS 54.50 EQUALS \$1.00.

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PAGE 02 KABUL 06933 251106Z

D. UNTIL THE GOVERNMENT ANNOUNCES ITS EXCHANGE POLICY, THE

DOLLAR WILL PROBABLY CONTINUE TO SINK. WHEN A POLICY IS
ANNOUNCED IF IT IS STRICT CONTROLS, DOLLAR WILL ASSUME FIXED
OFFICIAL RATE, LIKELY TO BE AFS 45 EQUALS \$1.00. IF CONTROLS
ARE LIMITED, OR SPOTTY - DOLLAR WILL TEND TO RISE. IN EITHER
EVENT, ONCE REGULATIONS KNOWN, VERY LIKELY TO BE AN ACTIVE BLACK
MARKET BOTH IN CURRENCIES AND GOODS.
LEWIS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: KABUL
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1973/newtext/t19730913/aaaaajdf.tel
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Office: ACTION ABF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
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Previous Handling Restrictions: n/a
Reference: STATE 151990
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Review Authority: morefirh
Review Comment: n/a
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Review Date: 12 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12-Dec-2001 by thigpegh>; APPROVED <02-Jan-2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DOLLAR POWER II - BP
TAGS: AFIN, AF
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005